



Medtronic is a biomedical engineering company that does business in more than 70 countries. We design, manufacture and market medical devices and are the world leader in cardiac pacemakers, the family of products for which we are best known. We also make and sell a variety of other devices of a cardiovascular, neurological or rehabilitative nature.

Established as a partnership in 1949, we are currently observing our 25th anniversary of working "toward man's full life." Medtronic was incorporated in Minnesota in 1957 and our securities have been traded in the national over-the-counter market since 1964. The NASDAQ trading symbol is MDTR.

Annual Meeting: The annual meeting of shareholders will be held Thursday, August 29, 1974, at 10 a.m. local time in the Cotillion Room of the Sheraton-Ritz Hotel, 315 Nicollet Mall, Minneapolis, Minnesota.

10-K Report Availability: A copy of the 10-K annual report filed with the Securities and Exchange Commission (exclusive of exhibits) for Medtronic's fiscal year ended April 30, 1974, is available to shareholders on request. Write Medtronic, Investor Relations Department, 3055 Old Highway Eight, Minneapolis, Minnesota 55418.



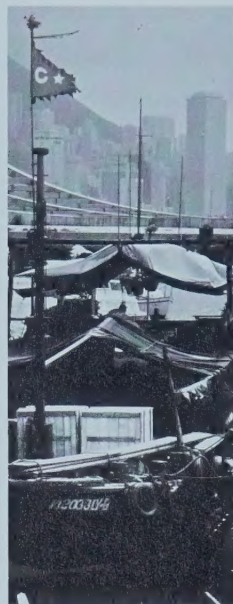
CANADA



LATIN AMERICA



EUROPE AND AFRICA



AUSTRAL-ASIA



THE UNITED STATES

**Medtronic, Inc.
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the fiscal year
ended April 30, 1974**

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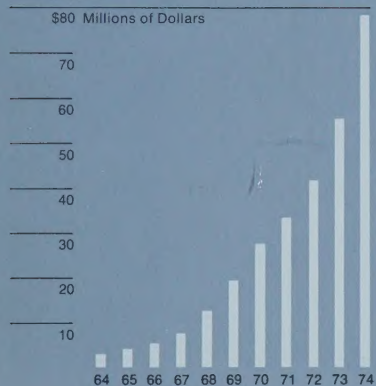
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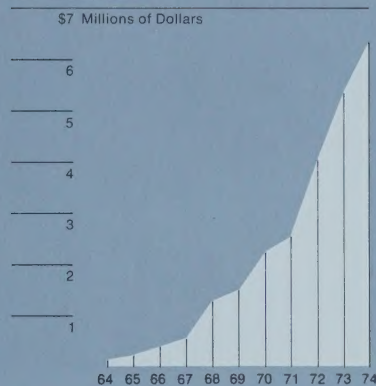
THE YEAR IN BRIEF

	April 30, 1974	April 30, 1973	Change
Net sales	\$78,177,668	\$54,383,401	+44%
Earnings before income taxes	\$11,886,422	\$ 9,621,249	+24%
Provision for taxes on earnings	\$ 5,515,000	\$ 4,284,800	+29%
Net earnings	\$ 6,371,422	\$ 5,336,449	+19%
Net earnings as a % of sales	8.1%	9.8%	
Earnings per share	\$.96	\$.81	+19%
Working capital	\$23,610,574	\$22,019,739	+ 7%
Current ratio	2.0:1	3.5:1	
Shareholders' equity	\$44,847,856	\$36,381,972	+23%

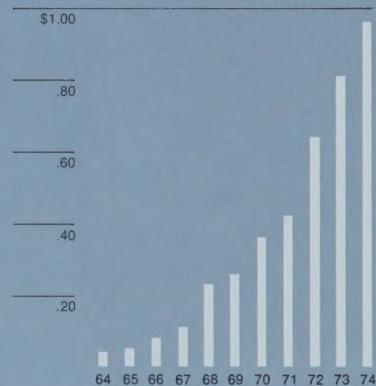
NET SALES



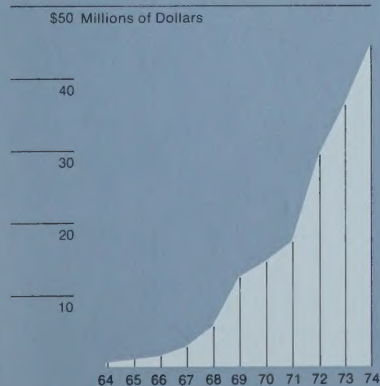
NET EARNINGS



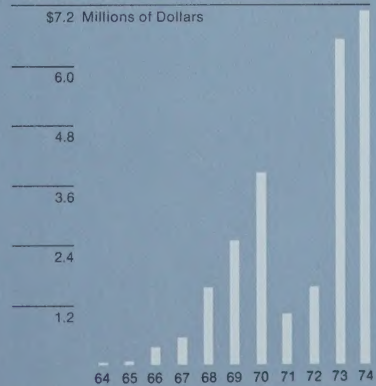
EARNINGS PER COMMON SHARE



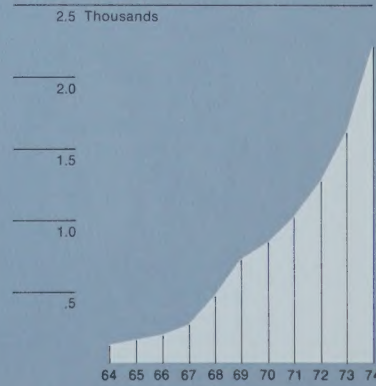
SHAREHOLDERS' EQUITY



EXPENDITURES FOR PROPERTY, PLANT AND EQUIPMENT



PEOPLE GROWTH



TO OUR
SHAREHOLDERS
AND FELLOW
EMPLOYEES:



Thomas E. Holloran,
President (right), and
Earl E. Bakken, Board
Chairman and Chief
Executive Officer, at
Rice Creek site in
Fridley, Minnesota.

This has been an unusual year for us — in many ways very successful but in some ways disappointing.

From its start, we had anticipated a year of accelerated growth, and our revenue expectations were met. Sales increased 44 percent to over \$78 million; the increase, almost \$24 million, was nearly double that of last year. Growth was strong throughout the world, but particularly outside the U.S., where sales of \$27.2 million were up 71 percent.

Implantable pacemaker sales again accounted for nearly 80 percent of sales; the four new pacemakers that we began selling in November now represent over 75 percent of all our U.S. implantable sales and somewhat less outside this country.

We again experienced record sales and earnings for the year ended April 30, 1974, but we went through much of the year watching costs increase at a time when we felt precluded by Phase IV constraints from raising prices in our major area, the U.S.

The sale of other manufacturers' products has become an increasingly significant segment of our business and last year reached \$9.4 million, up over 46 percent; they represent 12 percent of all sales. We created a separate division for this part of our business in the third quarter with objectives to improve profit margins and sales this year.

Earnings for the year were \$6.4 million, up 19 percent, but failed to keep pace with sales growth and our profit objectives. However, on the basis of operations alone (excluding currency exchange adjustments) earnings were up 23 percent. Fourth quarter earnings were \$1.6 million or 24 cents a share, down slightly from 25 cents a year ago. Without currency exchange adjustments, earnings were 15 cents, down from 20 cents. Our pre-tax profit margin for the year dropped from 17.7 to 15.2 percent while return on sales was 8.1 percent, down from 9.8 in the previous two years.

Several factors contributed to this decline. Most significant was the fact that we were trapped through much of the year with our costs — both materials and labor — rising while an atmosphere of price controls in the U.S. kept us from passing on these costs to maintain margins. The fact that we were not alone in this regard is small comfort. What is reassuring, however, is that now with the end of U.S. controls, we have raised prices here; in independent action, we have also made selective increases in many of our foreign markets. And we expect to have continued price flexibility, should cost pressure persist.

Secondly, not only were components increasingly expensive but they were also in short supply. Consequently, our growth rate made it necessary to secure rather large inventories; this was particularly true for components with long lead times, some up to 80 weeks. We financed these inventories mainly through short-term bank loans and the switch from being a net loaner to a net borrower, at high interest rates, ate heavily into earnings. As some of the built-up inventories diminish, we will be looking at even higher prices for critical

components. On the bright side, however, we anticipate some easing of component availability pressure.

Inflation also played a role in higher costs of employee compensation. This impact was further magnified by the addition of more than 600 employees during the year, an increase of nearly 40 percent and a major investment in the future. We believe we are entering a period of time when growth in numbers of people, though substantial, need not keep pace with growth in sales.

Another factor in the earnings picture was a higher effective tax rate — 46.4 percent compared with 44.5. Major items causing the higher rate were a non-recurring retroactive French levy on our 1973 earnings in that country, and a reduced investment tax credit.

It was a year of frequent fluctuations in the value of the dollar. (This is important to us because we report our earnings and balance sheet in U.S. currency, thus we must convert foreign operations to dollars.) These fluctuations occurred as governments around the world moved from a system of prearranged currency relationships to one of letting currencies "float" — that is, allowing them to adjust continuously to conditions in the world money market. As the dollar's value rose and fell relative to other currencies, the value of our net current assets in foreign countries changed inversely. This subjected us to adjustments on our balance sheet — which have to flow in through our income statement, causing swings that had little to do with our own operations.

There were major shifts during the year, but the net effect of currency exchange adjustments on earnings was a gain of \$158,000 or only two cents a share at year end. The comparable gain last year was \$301,000 or five cents, all of which occurred in the fourth quarter. We are determined to minimize these currency adjustments, simply because our reported earnings should relate to our basic business, making and selling medical devices, and not to currency fluctuations. We are confident that financial strategies now in use are beginning to do the job.

Despite capital outlays last year of \$7.1 million, the company's financial position remains strong. Due primarily to short-term loans, the ratio of current assets to current liabilities dropped from 3.5:1 to 2:1; long-term debt amounted to less than one percent of total capitalization; working capital was up seven percent to \$23.6 million, compared to \$22 million; shareholders' equity was nearly \$44.8 million, up 23 percent from \$36.4 million; and earnings on equity were 15.7 percent, compared with 16.2 percent a year ago.

This was a year of significant realignment at the officer level, changes that make us better structured to build a unified world organization. That commitment is unequivocal.

Within this new framework, the chairman functions as the company's chief executive officer, devoting his attention specifically to long-range planning, product strategy teams

working on new product ideas, and methods of accelerating the use and acceptance of lifesaving devices.

Reporting directly to him are the cardiovascular research and neurological/rehabilitation divisions. The president oversees all other corporate operations. Charles F. Cuddihy, Jr., elected to the board of directors at the last annual meeting, has assumed a number of new responsibilities since being named executive vice president in December. He directs all activities outside the U.S., cardiovascular manufacturing and marketing in the U.S., and corporate staff functions concerned with people development and communications.

Another management change related to the realignment is Norman Dann's new role as senior vice president of corporate development, including responsibility for new product program management and other emergent businesses. This organizational shift implies an emphasis on development that addresses a number of pressures and opportunities we face today: smart competition; customers more sophisticated in the use of medical devices; regulatory and technological environments which can cause product life cycles to be shorter than the time required to bring products to market; and the need to contribute to growth through expansion of basic product lines and diversification into allied services or new but closely related products.

Other major organizational changes include:

B. J. Amdahl joined us as vice president of finance and administration on January 1, coming from The Cornelius Company of Minneapolis where he was executive vice president of finance and administration. He had been with Cornelius since 1964.

Earlier in the year, two members of the financial division were named officers — Richard W. Nunn, who was elected treasurer, and John T. Krueger, corporate controller and the company's chief accounting officer.

Dr. Charles D. Ray was named a vice president by the board of directors last August and directs the neurological/rehabilitation division and physiological research activities. Dr. Ray, a neurosurgeon, joined Medtronic in 1972.

Also last summer, Donald R. Stone was elected vice president of product assurance and regulation. He had previously been in a staff position as legal counsel and now directs our efforts to assure safe and effective products as well as dealings with governmental agencies which regulate those products.

This June, the board elected Lawrence Perlman secretary of the corporation. Mr. Perlman is a managing partner of the company's general counsel, the Minneapolis firm of Fredrikson, Byron, Colborn, Bisbee, Hansen & Perlman. He has been associated with Medtronic since 1964.

Also in June, Mr. Dann and Dr. Alan R. Kahn were elected senior vice presidents.

Developing a multinational capability to assess and meet the demands of increasingly sophisticated markets is a tall order.

Foremost, it demands a worldwide team of people, more than 2,200 at year end, working with synergy and efficiency. But that level of efficiency will only happen as we see ourselves in a world context, a view that must gradually replace a more typical, provincial mindset. A week-long session in May that brought together more than 80 Medtronic managers from around the world was a first step in that direction. Some of those people appear on the pages of this report. They not only illustrate the global dimensions of our far-flung operations but also typify the strong and expanding management team beyond the officer group.

We plan to introduce more than 20 devices this year, some entirely new and others replacing existing products. We will develop new medical and geographic markets. And we will continue to see a growing share of our total business coming from outside the U.S.

We are not in the habit of making specific predictions about the future — and this letter is no exception. However, we want to emphasize what we've suggested in the past: We expect to sustain a real growth rate (exclusive of inflationary effects) of about 25 percent a year in the foreseeable future; on the earnings side of the picture, 10 percent profit after taxes is still our goal, despite the recent decline. Let me add that it's been logical for us as a relatively small, rapidly growing company to focus our objectives on the income statement, but that now we're at a point where we must pay closer attention to the balance sheet, using return on equity as a key management measurement.

The year ahead will certainly be a period of continued inflationary pressure, but we see no reason to lower our sights. As the subsequent pages of this report should suggest, it will be a time when we will pursue the development and sale of new, life-improving devices with vigor throughout the world.

For the Board of Directors,



Earl E. Bakken,
Chief Executive Officer and
Chairman of the Board



Thomas E. Holloran,
President

July 29, 1974

An interview with Earl Bakken — a co-founder of the company and now board chairman and chief executive officer:

Mr. Bakken, you stressed in your letter the importance of developing a truly worldwide company to meet the pressures and demands of the next several years. Why is that critical?

First of all, I believe our corporate objectives apply on a world basis: The world is becoming increasingly small and more and more people are demanding the kinds of health products and services that will allow them to live full lives. So I think we have a basic moral commitment to worldwide growth that demands that we be responsive to all cultures and regions of the world, including the lesser-developed countries. Our goal is to do what we reasonably can to make sure that those who need our devices are aware of them and can afford them.

Beyond that, it makes sense to begin working with physicians in some of the vast, untapped markets of the world where health care needs are great. We are seeing an increasingly larger share of sales coming from outside the U.S.: for example, last year our non-U.S. business improved 71 percent while U.S. sales were increasing 33 percent; non-U.S. sales now account for more than a third of our business. Competition continues on the rise, particularly from national companies which market predominantly in one country. Nationalism and the economies of product distribution underline the need to move our manufacturing facilities closer to our markets. New and expanded facilities in The Netherlands and Brazil, and proposed plants in Canada and Argentina, illustrate this.

Environmental factors punctuate the need for a unified team of people working together, aware of one another's needs: the assembler in Holland, the salesman in Hong Kong and the office worker in Minneapolis. The list of outside influences is long, and includes: world inflation; availability of energy, materials and components in a resource-short world; governmental regulation and taxation; our corporate social responsibilities; competition; legal liability; and floating exchange rates.

How do you plan to bring this worldwide team about?

Awareness, I think, is the key — awareness of one another and of the scope of this community of more than 2,200 people. The meeting in May of more than 80 managers from throughout the world was a good first step toward creating that awareness and sensitivity to one another. Many who were there are convinced it has changed their managing outlook; it has opened their eyes to broadened possibilities for cooperation and personal growth. For one solid week, in large and small forums, they talked about everything from product lines, market needs and manufacturing facilities to financial management, government relations and development of people. Our top management realignment has already set the stage for further reorganization at other levels that will give us worldwide coordination. We look to the large group of strong

managers outside our Minneapolis headquarters — some of whom are shown in this report — to play an ever-larger role in making this happen.

Do you have long-range corporate planning?

For many years we have done a very detailed corporate plan that outlined both broad company goals and divisional plans and targets as well. We have also done what I would call five-year projections, looking ahead to forecast where we think we'll be in terms of dollar volume, people, facilities, and so on. This is more a matter of developing a good list of assumptions and guidelines to be plugged into more detailed action plans.

Now we've begun to develop a two-year roll-out plan that will be updated quarterly; it is overlaid by the five-year projections. We feel that this plan probably will be the most efficient in terms of responding to customer needs; it's unlikely that we could go beyond that and still stay in tune with what the market requires. On the other hand, much of our manufacturing and engineering planning must be done 18 months to two years out because of the huge lead times on some components. And we will continue to see product development cycles stretch out with the arrival of industry regulation.

In recent years, you have devoted about 10 percent of sales dollars to research and development, yet you remain essentially a one-product company. What are you getting for your research dollar?

R & D is a term that is applied to a whole set of activities in a corporation: basic and applied research; product feasibility; the development of a product idea; the engineering of a product — taking it from the point at which you've made one to where it's documented and designed and can be put into production; certifying product reliability; and going through the whole clinical program to verify it in the marketplace. It's quite a variety of essential activities that are followed for every product we make to assure they are safe and effective.

I would suspect that to many, R & D infers work on things we've never done before. That assumption, that we spend nearly 10 percent of our sales on totally new development, is inaccurate. Most of what we do with the R & D dollar is aimed at pacemakers — to stay competitive with advances in this area, to generate new models, to test new power sources to the point where we're ready to use them in a pacemaker.

A smaller portion of that 10 percent is devoted to totally new developments, including work in the neurological/rehabilitation area as well as cardiovascular. And, in those new areas we are expanding frontiers, working with all new technology where there are simply no outside experts we can turn to.

The other point I'd like to make is that I don't consider us a one-product company. The pacemaker is a product line, a family of products. Each has its own part of the market, and we've seen a significant broadening and diversification of the uses for these devices in recent years. We're doing more than watch this happen; we have helped physicians to identify other

viable applications for pacemakers and communicate this to their peers. We know of some centers where as much as 40 percent of their pacing work is for indications other than heart block.

Do you anticipate any new pacemaker products this year?

We will introduce more new pacemakers this year than at any time in our history, as well as some unique support products like a pacemaker system analyzer that assures doctor and patient that the device is working properly. Among the new pacemakers will be a line of units using hybrid circuits, with our subsidiary Micro-Rel as a major supplier. They will be smaller and lighter than the present units. Other products will be powered by lithium batteries, but only after that source has been proven safe for clinical tests.

Medtronic just recently celebrated its 25th anniversary. What significance does that hold for you?

Not a whole lot, though I guess it does mean we're 25 years older. I suppose it also says something about the kind of experience and service we've gathered and provided in working with the medical community and building a reliable product. There is a certain amount of equity in experience, but it surely doesn't give us an automatic edge in dealing with competition. Most of what it says to me is that we've got to be awfully sharp about today and not worry about how many years we've been around.

Tom Holloran has been a Medtronic officer since 1967 and a member of the board of directors since 1960. He was named president of the company last December.

Mr. Holloran, what were the company's major capital expenditures during the last fiscal year?

Of the total \$7.1 million spent for property, plant and equipment, the biggest single expense was \$2.8 million for the Rice Creek circular administrative building which we dedicated in May. Other major items last year were expansion at our Kerkrade manufacturing plant (\$775,000), purchase of the Micro-Rel facility in Phoenix (\$450,000), and additional facilities at our animal research laboratory for testing our products' resistance to electromagnetic interference (\$225,000).

How were they financed?

With cash generated by operations and short-term bank borrowings.

What do you anticipate along this line in the present fiscal year?

Our major expenditure will continue to be the new Rice Creek building which adjoins the manufacturing facility there; expenses related to construction and furnishing the third floor will approximate \$2.5 million and that facility will be our

administrative headquarters by this time next year. Other major expenses will be \$300,000 for leasehold improvements and equipping an 11,500-square-foot manufacturing facility in Puerto Rico and about \$50,000 for equipping a 26,000-square-foot leased facility outside Toronto that will be our Canadian manufacturing plant and national headquarters. Total capital expenditures for the year will be approximately \$5 million.

How will these outlays be financed?

At this point, we anticipate they will be covered primarily by cash flow generated by operations and short-term borrowing.

What has been the effect of inflation and the energy crisis on Medtronic's business?

They have impacted us in several ways, all of which have had a negative effect on profits. Inflation has meant higher costs in general for materials and employee compensation. With lead times for delivery of some components that stretch out more than 18 months, we've been quite concerned about shortages. This has been particularly critical because of our high rate of growth and the need to protect ourselves. As a result, we built up inventories at a level several million dollars above our original plan. This was a major factor in our having to incur short-term borrowing that totaled more than \$12 million during the year, leading to sizable interest expenses.

What have you done recently in pricing your products?

With the lifting of restrictive price controls, we instituted a general price increase on June 1 in the U.S. That action raises our prices in the U.S. an average of about nine percent, based on our product mix for last year. We have also increased prices in some foreign markets and are planning additional selective price increases abroad.

What impact are these increases likely to have on profits?

Well, naturally they should have a strong positive effect on our revenues. Unfortunately, some of that will not filter down to the bottom line because of the expected inflationary effect of component and labor costs.

In that light, you have indicated that the fourth quarter was not indicative of a trend for you. What steps are you taking to ensure this?

Let me begin by saying that our control systems have developed in a somewhat evolutionary fashion, and will continue to become increasingly formal to keep pace with the demands of our rapid growth. The steps we have taken are not so much a case of developing new controls; rather, they suggest that we are making existing controls work better for us through refined management systems. Top priority is assigned to creating greater cost and profit consciousness at all levels of management. This involves the process of identifying units of responsibility — profit and cost centers. There is also closer review of results — top management sitting down frequently with line managers to review and project. There is tighter

review of capital expenditures. And we are upgrading our management information system to improve data processing information and control mechanisms. All of this action, we feel, should greatly aid our ability to manage the company effectively and still meet our growth expectations.

One of Medtronic's six basic objectives relates to being a good citizen as a company. Just what do you feel are your responsibilities in that regard?

As others have suggested, the concept of a company's social responsibility probably has as many definitions as there are companies — and perhaps more. We, too, must shape our own. For Medtronic, good citizenship spans a wide range of responsibilities and commitments, and frankly some are in areas where we've only just begun. Our duty to shareholders in terms of enhancing equity relates directly to our other responsibilities; without a return on that investment that competes favorably with other investment alternatives, we cannot hope to attract the capital necessary to meet social, or any other, objectives.

Part of that responsibility is to our customers. We must provide them with the safest and most effective devices possible. The reliability record of our products is the best test of how seriously we accept this charge.

We must be responsive to employees' rising levels of expectations. Our benefits plan is being redesigned so that it can be suited to their personal needs. This past year we conducted a social audit of employees to discover what they do to take the process of self-realization beyond work and family into the community. Of those responding, more than 30 percent are now involved in community or educational activities; already we have redirected some of our corporate contributions to these activities.

We have had a full-time manager of equal employment opportunity for more than one year. Within months, each Medtronic division will have established firm goals and timetables for hiring and promoting minorities and women in accordance with a corporate affirmative action plan. Of more than 600 new employees hired last year, 47 were minorities. That's about eight percent and while we're not happy with that, it is a start. Of the 20 women in management or supervisory positions, 13 were hired or promoted in the past year.

Contributions to educational, civic and cultural institutions rose to .8 percent of pre-tax profit, totaling nearly \$100,000. These contributions include such diverse organizations as the YMCA (\$50,000 over five years), The United Way (\$15,000), educational television, the United Negro College Fund, the Cricket Theatre in Minneapolis and several youth organizations. In May we announced a \$250,000 gift to the American College of Cardiology Heart House and paid the first of five \$50,000 annual donations. Located in Bethesda, Maryland, this will be a national center for continuing education and allows us to contribute in a major way to improved medical care for patients with cardiovascular disease. It's another way we see to bridge the gap between the availability and acceptance of medical devices.

These are our "unchanging" corporate objectives — the guidelines which have formed the basis of our planning for many years.

1. *To contribute to human welfare by application of biomedical engineering in the research, design, manufacture and sale of instruments or appliances that alleviate pain, restore health and prolong life of man.*
2. *To direct our growth in the areas of biomedical engineering where we display maximum strength and ability; to gather people and facilities that tend to augment these areas; to continuously build on these areas through education and assimilation of knowledge; to avoid participation in areas where we cannot make unique and worthy contributions.*
3. *To strive without reserve for the greatest possible reliability and quality in our products; to be the unsurpassed standard of comparison and to be recognized as a company of dedication, honesty, integrity and service.*
4. *To make a fair profit on current operations to meet our obligation, sustain our growth and reach our goals.*
5. *To recognize the personal worth of employees by providing an employment framework that allows personal satisfaction in work accomplished, security, advancement opportunity and means to share in the company success.*
6. *To maintain good citizenship as a company.*

Charles F. Cuddihy, Jr.,
Executive Vice
President, in the new
administration building
that adjoins the Rice
Creek manufacturing
facility in Fridley,
Minnesota. This
circular building will
become corporate
headquarters next year.





PACEMAKER PRODUCTS AND MARKETS

About 79 percent of all Medtronic sales last year was accounted for by implantable pacemakers; another three percent was external pacemakers.

Although they were available for less than half a year in the U.S. (and only a few months overseas), four new implantable units contributed more than \$20 million in sales; excellent physician response to these and other devices helped us achieve and surpass our sales objective for the year. These new pacemakers were introduced last November following clinical evaluation by more than 200 physicians in medical centers around the world. Powered by a new generation of mercury-zinc batteries, they make much more efficient use of the available energy and will last significantly longer than earlier models.

Energy-conserving refinements in leads (the wires which connect a pulse generator to the heart itself) have been achieved in the past year, along with the enthusiastic acceptance of a new "sutureless" myocardial lead that has sharply increased sales in that area. Myocardial leads (those attached directly to heart muscle by sutures) have previously represented about 10 percent of all lead sales; that percentage has expanded to approximately 30, and will likely grow more, due to acceptance of the sutureless lead and its simplified procedure that can be done under local anesthesia.

We also introduced a new system last November that allows physicians to monitor their patients by telephone. The system transmits a high-quality EKG recording and the physician can detect rate changes that indicate impending battery depletion long before the patient is in any danger. A major benefit is patient reassurance without the need for frequent office examinations.

Another support instrument for the physician was introduced this summer after more than three years of testing and one year of investigational use demonstrating its versatility in a clinical setting. Called the Pacing System Analyzer, it fills a long-standing market need for more accurate measurement of pacemaker performance and threshold — the level of energy needed to stimulate the heart. This handheld device introduces a new era in pacemaker analysis by making electrical testing easier and safer to perform — and more accurate.

We will concentrate even more this year on developing a complete spectrum of cardiac stimulation products, services and accessories. Consistent with that objective, approximately 20 new products will be marketed including several devices which use hermetically sealed hybrid circuits. These



Donald A. Hurley, 35, President
of Medtronic of Canada, Ltd.



Hjalmar E. (Ed) Johnson, 47,
Director of Latin American
Operations, headquartered
in Miami.

pacemakers will have other important marketing features in addition to significantly smaller size and light weight (such as ease of connection to leads and high resistance to electromagnetic interference); they will be released later this fiscal year.

We estimate that approximately 175,000 people are benefiting today from pacemakers. With a market share of more than half of the pacemakers sold worldwide, our volume of production now well exceeds 6,000 per month.

We continue to believe that the pacemaker market will keep growing for the foreseeable future at an annual rate of 25 percent or better, based on these premises: a more rapid increase in the older segment of world population; products becoming available to and accepted by more and more regions of the world; increased referrals by family physicians as a result of better understanding of pacemaker therapy; and new indications for the use of pacemakers. The growth rate will be tempered by factors such as increased pacemaker longevity (affecting eventual replacement rates) and maturing markets.

Our sales and marketing efforts have expanded to meet this growth. We now have a direct sales team (including instrumentation) of nearly 200 people working across the U.S. and in many of the more than 70 other nations of the world where we do business. Most activity in the U.S. is focused on three major physician groups: the key accounts — 20 percent



Gerard Planchon, 44, President and Director-General of European Operations, headquartered in Paris.



Paul D. Rieff, 38, Director of Austral-Asian Operations, headquartered in Hong Kong.



Edward F. Sweeney, 34, Director of Sales and Marketing for the United States, headquartered in Minneapolis.

of our customers who represent 80 percent of the business; the user of competitive devices; and the referral community — including internists, residents and general practitioners.

Total U.S. sales accounted for over 65 percent of the year's business. Outside this country, sales were \$27.2 million: \$18.6 million in Europe and Africa; Canada, \$3.4 million; Latin America, \$3.6 million; and Austral-Asia, \$1.6 million. Our largest foreign markets continue to be France, Germany, Canada, Brazil and Argentina while Italy, Brazil and the Socialist Bloc show greatest potential for growth in the next few years.

Within the past year, we have also begun selling directly in Israel, South Africa and Australia — countries where we formerly were represented by distributors. A new Latin American headquarters was established in Miami in late June, moving from Sao Paulo, Brazil. Primary reasons for the move were to improve communication between that office and Minneapolis as well as the various countries in Latin America (where inter-country phone service can be maddeningly slow), and to facilitate more efficient product distribution. Cost of operations should also be lower there.

Our research efforts continue to focus on cardiac stimulation, and particularly on increasing pacemaker longevity without sacrificing safety and effectiveness. The new pacemakers we introduced this past year resulted from these efforts. So did

the nuclear-powered pacemaker which has a 10-year or longer expected life and has now been implanted in nearly 850 patients since 1970 — 300 of them in the U.S. This device is still under clinical investigation, with about 12,000 patient-months of experience, to date. Because of its longer life and higher cost, it is most appropriate for younger patients, which are a relatively small part of the pacemaker market.

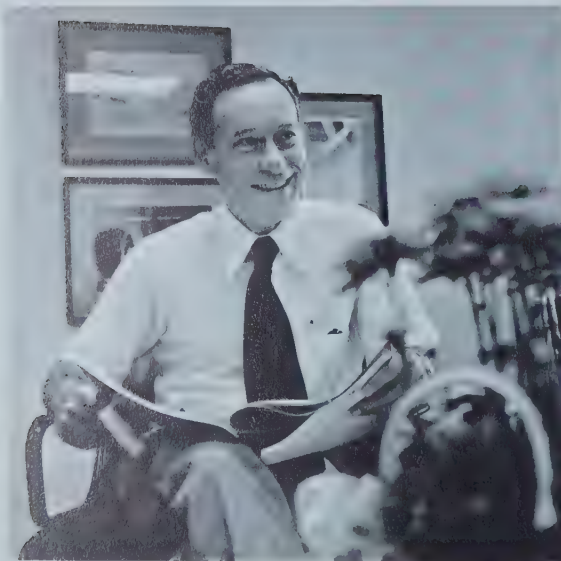
Another source of power which promises long life is a lithium battery. We have done research in this area for several years and will release lithium-powered pacemakers once we have qualified them as safe and effective in clinical tests.

BEYOND PACEMAKERS OTHER PRODUCT INTERESTS

Our commitment to restoring health, relieving pain and extending man's life takes us beyond the manufacture of pacemakers to other product interest. We've referred to some of these products before; they are at various stages of development and clinical evaluation.

Research expenditures this past year were up \$2.5 million to nearly \$7.5 million or 9.6 percent of the sales dollar; three-fourths of this is committed to the cardiovascular area while the balance is for neurological and rehabilitation work.

Much of our neurological work is focused on pain — what it is,



NORMAN DANN
Senior Vice President
Development

how it's transmitted in the body, how it can be controlled. Over the last six years more than 2,000 spinal column stimulators have been implanted in patients — several hundred of them in the past year. Results with this pain-control device continue to be clinically documented and evaluated by a select group of about 60 physicians in 40 medical centers around the world.

The NEUROMOD™ Transcutaneous Nerve Stimulator, an external device initially used as a screening test in patient selection for our implantable devices, is now in use by about 4,000 patients for the relief of pain, most of them in the U.S.; it was introduced to Europe and Latin America within the last year. The market for this device, which is applied to the skin and does not require a surgical operation, appears promising. Work also continues on other products to relieve pain, including a peripheral nerve stimulator now under clinical investigation by 14 U.S. and Canadian neurosurgeons. That device is implantable and directly stimulates a variety of nerves (sciatic and ulnar, for example) for relief of many kinds of pain including neuralgia and some arthritic pain.

During the year, Medtronic sponsored a seminar which brought together about 120 clinical experts on pain control to clarify a number of problems confronted in this field and gain consensus on the state of the art. The major conclusions:

- electrical stimulation of the nervous system is an effective means for treating pain — even severe, persistent pain — but there are many clinical difficulties and limitations yet to be worked out
- there appear to be no major pain syndromes that aren't relieved, at least partially, by electrical stimulation
- patient selection criteria are improving, but are still not fully clear; full potential of pain control by stimulation has yet to be reached

We have taken steps in recent months to create an autonomous neurological and rehabilitation division to further concentrate all the functions necessary to bring those devices to market. Physician interest in these devices is quite high.

A neuromuscular assist device to help some victims of strokes walk more normally is now being used by 65 patients in nine clinical centers; these studies are coordinated by the National Academy of Sciences. In April, this product was named one of 10 outstanding engineering achievements of 1973 by the National Society of Professional Engineers.

In the cardiovascular area, the circulatory assist device will advance to the point of human application this year, following preliminary testing in large animals. Its primary application will be as a temporary assist for a faltering heart that needs short-term support; many elements may eventually be

applicable to an implantable artificial heart. Medtronic anticipates outside government funding for most of this program in the current fiscal year.

Work also continues on development of pacemakers to prevent sudden death due to certain heart arrhythmias — such as major acceleration of the heartbeat or violent, uncoordinated contractions that result in little blood circulation. These and other therapeutic or prophylactic applications are in early stages of investigation; they involve increased interaction with the medical community through technical development centers in the U.S., Canada and Europe.

Population Research Incorporated, a "new venture" subsidiary formed 18 months ago, is working on methods of human sterilization, particularly a simple, low-cost device for permanent sterilization.

The sale of other manufacturers' products continues to be an important segment of our business, up more than 46 percent to \$9.4 million; that represents about 12 percent of all sales last year. We created a separate division in the third quarter to specialize in medical instrument sales in an effort to improve

profit margins in this area. J. Bradley Coburn, formerly director of sales for Medtronic, is president of the division. Major products are portable defibrillators and a line of instruments used for blood chemistry analysis.

We are marketing a line of heart valves in many areas of the world, including North and South America and several European countries; we also sell disposable oxygenators in Canada and France.

Cameron-Miller Surgical Instruments Co. of Chicago, a 1970 acquisition, reached sales of \$1.5 million. In the present year, it will thin its product line of dental, veterinary, diagnostic and surgical instruments and broaden its sales coverage to improve effectiveness.

Micro-Rel, Inc., our Phoenix-based subsidiary, will play a key role in the application of micro-electronic technology to pacemakers. While it will remain a major supplier of Medtronic, Micro-Rel plans to sell to additional customers this year, including other pacemaker manufacturers.

We continue to have high interest in acquisitions that will broaden our product base, provided they fit our stated range of



Alan R. Kahn, M.D. (center), is Senior Vice President of Cardiovascular Research and Engineering. He is shown with Samuel W. Hunter, M.D. of St. Paul and Jan Carlsted, a nurse with responsibility for the company's cardiovascular clinical evaluation program. Seven staff nurses are involved in our clinical evaluation of neurological and cardiovascular products.



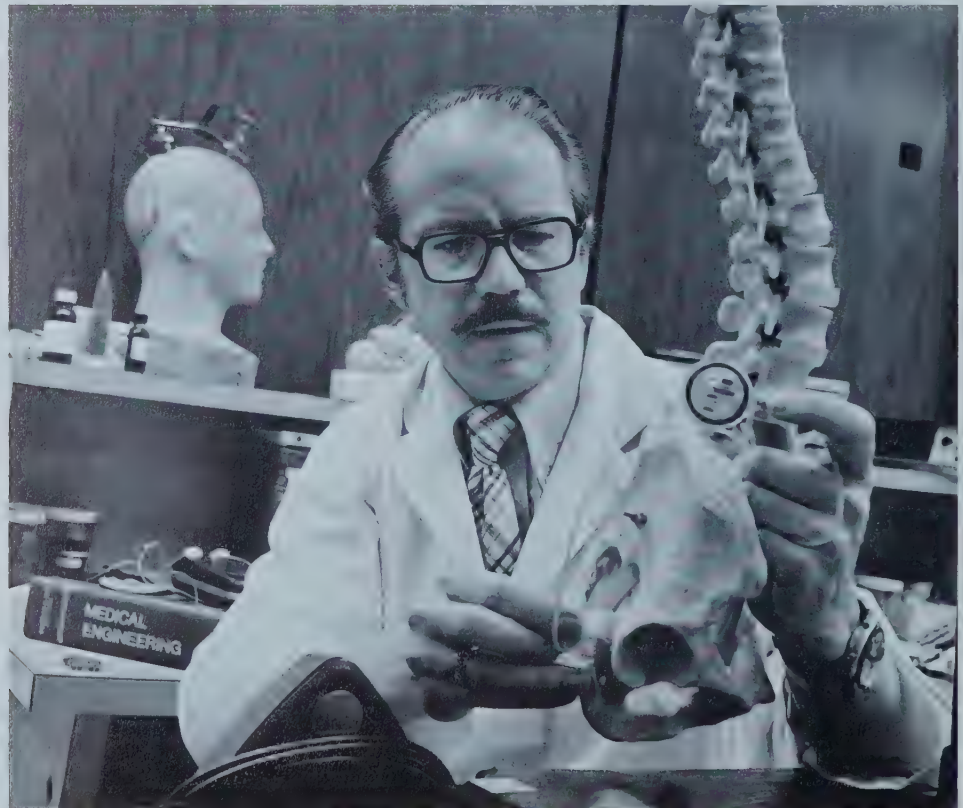
GEORGE M. HEENAN
Vice President
Manufacturing

product interest and other basic criteria that bear on profitability. The absence of new acquisitions in the past year should not be read as an indication of inactivity in this area.

SAFE AND EFFECTIVE PRODUCTS

One of the continuing challenges we face is to provide the safest and most effective medical devices possible. Many factors add to that challenge: growth in volume of products manufactured, greater device complexity, governmental regulation — to name a few.

Within the past year, we centralized the functions most responsible for product safety and effectiveness into one division, Product Assurance and Regulation (PAR). Activities



CHARLES D. RAY, M.D.
Vice President
Neurological/Rehabilitation
and Medical Research

of more than 200 employees in this division range from the historic quality and reliability assurance functions which have been part of Medtronic from the start, to new offices such as regulatory compliance, regulatory affairs and product performance, each involved with various aspects of government regulation, required record-keeping and agency contacts.

We are moving closer to the enactment of federal device legislation in the U.S. Its impact will be a major concern during the coming fiscal year and we look for increased federal control regardless of the timing of new regulatory authority for the Food and Drug Administration.

Federal regulation is nothing new for us in such areas as product labeling and instructions for use, proper identification of our products as prescription devices, and compliance with

truth in advertising requirements. Device regulations will likely identify good manufacturing practices tailored to specific devices, and we are working with others in the industry to draft proposed regulations for presentation to the FDA. The new legislation will likely also provide for mandatory device standards and pre-clearance of some devices, and we are already active in both of these areas.

We feel we are prepared to cope with federal regulation; but, without doubt product development costs will increase and the time span between innovation and market release will be markedly lengthened.

We will make even greater use this year of our physiological research facility in qualifying products for human use, including work on product resistance to electromagnetic interference



B. J. Amdahl (left), Vice President of Finance and Administration, shown with Harold G. Wahlquist, Vice President of Northwestern National Bank of Minneapolis, transfer agent for the company.

that's being conducted in new facilities at the research center. All these activities should impact directly against the challenge of providing safe and effective products.

April 30	1973	1974
Production	489	748
Sales	436	468
Office/Management	421	539
Research/Engineering	178	286
PAR	97	205
Total	<u>1,621</u>	<u>2,246</u>
Minneapolis	1,084	1,479
Other U.S.	287	419
Outside U.S.	250	348



Donald R. Stone, Vice President of Product Assurance and Regulation, whose division has responsibility for product safety and effectiveness as well as liaison with federal and state regulatory agencies.

PEOPLE AND FACILITIES

In 1974-75, we are faced with increased competition, with the expectation around the world of substantially greater governmental regulation, and with the need to recruit, train and integrate many new employees.

More than 600 people were added to the worldwide Medtronic staff last year, growth that is shown on the accompanying chart. These new employees represent enormous challenges in recruiting, training and motivation. Looking ahead, we project the addition of comparatively fewer employees in the current year. We will also develop a two-year plan for organization, management and employee development and will establish a manpower plan that will be updated quarterly in conjunction

with budgeting. The basic employee benefits plan will also be redesigned with an eye to greater personalization.

Further, several human resource objectives will be aimed specifically at regions of the world other than the U.S. These will include the development of training and career counseling capabilities in Europe and Latin America and deeper staffing elsewhere. Many divisions will also set and periodically audit specific goals and timetables for hiring and promoting minorities and females.

Another indicator of growth around the world is facility expansion. In the past year we completed the first two floors of the circular administrative building adjacent to our main Rice Creek manufacturing plant in Fridley, Minnesota.



The third floor is now under construction and that facility should become corporate headquarters by next summer. We are also leasing office space at other buildings in the Minneapolis suburban area.

In The Netherlands, an 18,000-square-foot addition to our Kerkrade manufacturing plant has doubled its size; more than 130 people are now employed there, up from 90 last year. This new complex was dedicated in June and will begin production of leads this fall. The Afro-European headquarters office in Paris will move to new facilities this fall.

A miniature assembly plant (MAP) will be functioning in Argentina by October, with a staff of about 12 employees. In Brazil, where a MAP was begun last summer, increased production needs will be met by moving to a larger facility. A pacemaker evaluation clinic was started there earlier this year as a consulting service to assist physicians with patient follow-up; that service will also be expanded to allow greater impact on the more than 400,000 Latin Americans who suffer from Chagas disease and would benefit from a pacemaker.

We have also leased an 11,500-square-foot building from the Puerto Rico Industrial Development Company to house a new manufacturing facility there. Located in Villalba, some 50 miles southwest of San Juan, it will employ 25-30 people who will be drawn almost exclusively from the local area. Production of leads is expected to begin there in September, under the direction of Santos Lugo, a 41-year-old national.

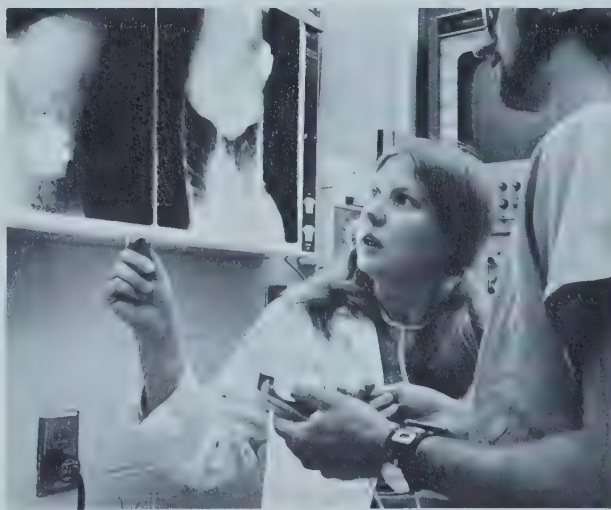
In Canada, where Medtronic has well over half of the pacemaker market, we will design and lease a 26,000-square-foot facility outside Toronto. That building should be completed by late next spring, with production starting a few months later. It will also serve as Canadian national headquarters, as a technical center, and as a base for the central region staff.



Micro-Rel's expanded 11,000-square-foot facility in Phoenix, Arizona (above and top left next page).



An 18,000-square-foot addition that doubled the size of our manufacturing plant in southern Holland was dedicated in June; this facility now supplies about 90 percent of Afro-European product needs.



Laboratories for testing product safety were added this year to our physiological research center, where Dr. Kristina Larson is Manager of Surgery, Radiology and Animal Care. This facility is located in Coon Rapids, a Minneapolis suburb.

To deal effectively with the challenges and changes of the future, companies as well as individuals must begin to think in terms of the type of world we're likely to be living in five or 10 years from now. To that end, more than 80 Medtronic managers from around the world met early in May of this year to consider and begin to shape our future as a multinational, global company. They talked about where they would like to see Medtronic go in the next decade or so, how this might happen on a worldwide basis, and what hurdles — organizational and others — need to be cleared to make it happen. In essence, where are we going and how do we get there? It was in this context that Orville Freeman and Jane Newitt addressed the worldwide management group to help us envision influences Medtronic will face in coming years. Some of their thoughts appear here.



ORVILLE L. FREEMAN, *former Governor of Minnesota and Secretary of Agriculture (1961-68), is President and Chief Executive Officer of Business International Corporation, a New York-based firm that provides a variety of informational and consulting services to multinational corporations.*

When I was a boy on the farm in Minnesota, we put blinders on our horses every morning and took them off at night. As we worked the horses during the day, they could look only one way — straight ahead. The world, for those animals, was very specific, narrow, direct.

Unfortunately, most of the people in the world today have their vision confined by similar blinders. They can see only as far as the boundary of their country. They do not look, or think, beyond the track marked by national frontiers.

My hope is that the current energy, food, mineral, monetary and inflation crises will result in a change of harness, with the world's leaders taking off their blinders and beginning to think, plan and act on a global basis. I think that kind of leadership will find wide support.

There is one global institution, frequently maligned but spectacularly successful, that does think, plan and act in worldwide terms — the multinational corporation. Medtronic is coming to be such a company.

First and foremost, the multinational is a state of mind. To attempt to define it in terms of the number of facilities it has throughout the world, or the ratio of its "domestic" to "foreign" employment, sales or earnings, is to miss the point. The multinational is nothing more nor less than a corporation which sees the entire world as its home market. It seeks resources and allocates them with as little regard for national boundaries

as the realities of time and place allow. It thinks globally, searching everywhere for new technologies, talented people, new processes, raw materials and capital.

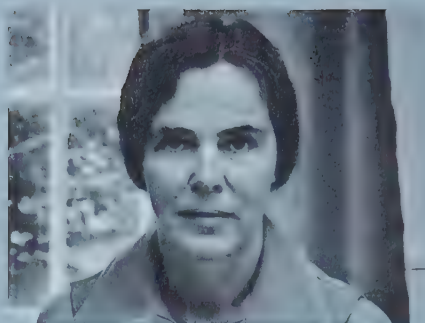
The most solid estimates show that the magnitude of international production today is in the neighborhood of \$600 billion. That's more than the gross national product of any country in the world other than the U.S. and constitutes about 20 percent of total world output. This level of international production has come about because it's effective. It works. It involves a major extension of the economies of scale and management, making possible the use of science and technology which require high levels of capital and advanced organizational skills.

The multinational corporation is the global response from the free sector of the world economy to a growing world mass market. It is also the global response to the world's need to increase the efficient use of its resources.

We've seen a major uprooting of global economics in the past year, one of historic proportions. Almost overnight the world has moved from a position of raw materials surplus to one of severe shortage. Nobody predicted what would happen to oil, energy and food supplies. These shortages have triggered epidemic world inflation that affects us all — and there is little reason to believe it will soon be brought under control.

Part of the reason for these shortages is that people are demanding and getting more of the good things of life. The track record of multinationals in producing goods and rendering services in an efficient way, at a profit, should point us to the only real solution to this dilemma — produce more. As we shift emphasis to worldwide economic development, the trend toward closer world relations hopefully will accelerate. The stage on which multinational companies like Medtronic will play can become a larger one — peaceful production rather than wartime destruction.

The world is clearly in crisis, but people everywhere are ready, I believe, to accept change and support new initiatives. What has worked in the private sector can also work in the public sector. It is an interesting time to be alive and play a part in the dynamics of worldwide development as Medtronic and other companies become increasingly global to meet these challenges.



JANE NEWITT is a specialist in domestic policy issues with the Hudson Institute in New York, a private, non-profit research center. At the Hudson "think tank," her work has focused on the long-range perspectives of these issues and she is currently directing a two-year program of studies to develop recommendations for federal social welfare policies. In 1972-73 she conducted a study of social trends and their implications for health and health care, an HEW-sponsored project that led to many of the insights she shared with Medtronic managers.

Somehow, in the march of medical progress in the last 40 years, the ordinary, everyday patient has been lost in the shuffle.

He used to be the center of the system, but recently he's been neglected. This is a particularly interesting phenomenon because it runs counter to what's happening in most other social institutions in our society. In virtually every corner of our culture with the exception of medical care, the basic, central arguments have to do with "humanization" of the system.

By contrast, in the area of medical care, our whole public discussion continues to operate in the Industrial Era mode — with emphasis on costs, access, efficiency.

But I'm convinced this will soon begin to change. In this respect, I was struck by Medtronic's 25th anniversary slogan — "Toward Man's Full Life" — because it is one more piece of evidence that people are shifting their thoughts toward medicine as something that attends to the whole person. In this view, the aims of medicine are not simply to make people live longer, but to live better — to make life worth living.

But why and where did we lose sight of the patient, and what does this tell us about our changing U.S. health care system and expectations for the next 50 years?

The quality of care we expect today has largely been influenced by the progress of medical science and technology and the changing demands of the educated middle class. For example, since 1920 we've seen a virtual elimination of diphtheria, smallpox, polio and childbirth-related deaths. Certainly the incidence of some diseases such as cancer and heart problems has increased, but these are degenerative and higher death rates from these causes don't represent any deterioration in the medical system.

A second recent development in medical science has been the massive increase in physician specialization. From 1931 to 1970, the number of general practitioners among U.S. physicians dropped from 74 to 17 percent. Even if you add internists, pediatricians and obstetricians, you still have a group of basic care doctors that is diminishing in proportion to the rest of society — and that trend continues.

A third development within the past 50 years has been a tremendous rise in the cost of medical care. From 1929 to 1971 health care expenditures rose from 3.5 percent of gross national product to 7.4 percent. Consumer out-of-pocket expenditures approached \$200 in 1970, compared to \$68 in 1929, and attempts to control these trends have been largely ineffectual.

What's more, although people are naturally concerned about paying their medical bills, they're even more distressed by the lack of time and attention they feel they're getting from their doctors. I view this as public demand for cost-ineffective services from the medical profession — services that doctors are overpriced, overworked or inappropriately trained to perform.

After reading Dr. Spock, mothers of the baby boom generation expected their doctors to advise them on such things as sibling rivalry — and subsequently adolescence became viewed as a disease. They began to rely more and more on specialists for problems that weren't considered medical before. Some people go to their internists complaining of a headache when they're really seeking help for an emotional illness they can't mention directly — a waste of the first doctor's time and therefore a cost-ineffective service.

Many behavioral illnesses weren't thought of as sickness in the past. If drug addicts, alcoholics and unruly, hyperkinetic children are considered sick, then doctors should be able to treat them. The truth is that the whole area of diagnosis and treatment is often ambiguous and socially or politically controversial. Doctors find themselves in an environment with

which they're ill-equipped to cope on the basis of their training, and often on the basis of their temperament, as well.

In short, the health care demands of the patient are simply not meshing with what the medical community has to offer. We need to respond to the demand that the system become more humane, to pay more attention to the interplay of physical and emotional stresses that bring the individual to the doctor's office or hospital door.

Already, we're beginning to see the educated middle class look outside the system for their medical care with an emphasis on self-medication in the form of drugs, fancy health diets, physical fitness regimens and lay encounter groups. In this experimentation and revival of folk medicine lies the potential for real turmoil and chaos in the medical care system over the next 20 years.

I tend to draw two scenarios of the future as I consider the possible results of these trends in the year 2,000 or so. The gloomier or more pessimistic view would have para-professionals, trained to handle the routine aspects of medical care, rebelling against their current subservient role and perhaps setting up practice for themselves. Lots of people would feel they were giving and getting better health care than ever before. But the problem arises when these paraprofessionals are trained without any clear central planning, education or enforcement on the national level. That could lead to a severe derangement in the continued march to ascendancy of medical science, and many would suffer.

On the brighter side, I think it is reasonable to believe that these paraprofessionals could develop into "masters or doctors of primary care." They would be a licensed, regulated, autonomous, numerous and culturally-diversified profession that would be preferred by most people for routine care of the well, non-seriously ill and chronically ill. Doctors of scientific medicine would care for the seriously ill. They also would serve in research and teaching capacities.

Generally, this would lead to a higher stature for the healing professions, something they lack today. It would foster greater experimentation within the system. And it would allow us to have a humanistic medical care system that paid adequate attention to both the physical and emotional needs of the patient.

Some of the work that Medtronic is doing tends to temper my belief that medical science doesn't have the capacity to humanize itself. Your technologies, things such as pacemakers and pain relieving devices, are certainly oriented toward extending and perpetuating an active and vigorous life for people, not just prolonging their existence. That must increasingly be our aim.

FINANCIAL SUMMARY

Medtronic sales for the fiscal year ended April 30, 1974, were \$78,177,668, a 44 percent increase over last year's \$54,383,401. Over the last five years, sales have grown at a compound rate of 33 percent.

A breakout of total sales by major product lines shows \$61.8 million for implantable pacemakers; \$2.5 million for external pacemakers; \$1.7 million for neurological products; \$2.8 million for other products; and \$9.4 million for other manufacturers' products.

Earnings were up 19 percent for the year, from \$5,336,449 to \$6,371,422. Earnings per share were 96 cents compared to 81 cents last year, also an increase of 19 percent. For the last five years, earnings have also grown at a compound rate of better than 33 percent.

Earnings before income taxes increased 24 percent to \$11,886,422 from \$9,621,249, with U.S. before-tax income nearly level with a year ago. Earnings reflected a decline in pre-tax profit from 17.7 to 15.2 percent.

Foreign currency exchange adjustments, which were included in earnings, resulted in a gain after taxes of \$158,000 or two cents, compared to \$301,000 or five cents last year.

Each dollar of sales resulted in 8.1 cents in earnings, compared with 9.8 cents last year. Each dollar of equity brought 15.7 cents in earnings, compared with 16.2 in the previous year. Shareholders' equity was up 23 percent to \$44,847,856 from last year's \$36,381,972.

Medtronic has sufficient financial resources to undertake the approximate \$5 million in capital expenditures for property, plant and equipment planned this year (down from \$7.1 million last year). Working capital at the end of the fiscal year was \$23.6 million, up seven percent from \$22 million last year. The ratio of current assets to current liabilities at April 30 was 2 to 1 compared to 3.5 to 1 a year earlier.

Early in the fourth quarter, we settled a suit with American Optical Corporation (AO) involving patent rights on demand pacemakers. Under this settlement, we recognize the validity of two AO patents and are granted indefinite use of a number of issued and pending AO pacemaker patents, both U.S. and foreign.

We will make payments through 1985, at which time we will have no further obligation to AO. These payments graduate every three years from \$550,000 this calendar year to a top of \$850,000. By comparison, we paid about \$900,000 in royalties to AO for the year ended April 30, 1973.

A year ago, we called for the redemption of our 5¼ percent debentures. All of the outstanding debentures, \$850,000, were subsequently converted into 34,691 shares of common stock at \$24.50 per share. This meant an appreciable savings in interest to us with no dilution in earnings per share.

PRICE RANGE OF MEDTRONIC STOCK

Calendar Year	High Bid	Low Bid
1973		
First Quarter	\$66.00	\$47.75
Second Quarter	50.00	39.00
Third Quarter	61.00	42.50
Fourth Quarter	62.75	46.50
1974		
First Quarter	53.00	40.50
Second Quarter	49.25	23.00
Third quarter through July 22	28.50	19.00

ELEVEN-YEAR SUMMARY

	1974	1973	1972	1971
<i>Operating Results for the Period</i>				
Net sales and commissions	\$78,177,668	\$54,383,401	\$41,175,749	\$32,947,549
Interest and other income	210,854	872,194	590,528	237,244
Total	78,388,522	55,255,595	41,766,277	33,184,793
Cost of products sold	36,518,923	24,365,882	18,784,147	16,026,435
Selling, general and administrative and interest expenses	29,983,177	21,268,464	15,403,838	12,124,988
Total	66,502,100	45,634,346	34,187,985	28,151,423
Earnings before income taxes	11,886,422	9,621,249	7,578,292	5,033,370
Provision for taxes on income	5,515,000	4,284,800	3,533,100	2,479,700
Net earnings	\$ 6,371,422	\$ 5,336,449	\$ 4,045,192	\$ 2,553,670
Depreciation included in expense	\$ 1,059,461	\$ 693,068	\$ 538,607	\$ 481,808
Earnings per common share	95.8¢	81.2¢	63.9¢	41.8¢
Earnings per dollar of sales	8.1¢	9.8¢	9.8¢	7.8¢
Earnings per dollar of equity	15.7¢	16.2¢	17.3¢	16.1¢
<i>Financial Position at Year End</i>				
Current assets	\$48,001,097	\$30,897,625	\$28,511,543	\$14,664,358
Current liabilities	24,390,523	8,877,886	7,809,410	4,975,702
Working capital	23,610,574	22,019,739	20,702,133	9,688,656
Property, plant and equipment, net	21,508,303	15,460,301	9,637,061	8,624,867
Other assets	940,644	894,772	1,027,519	920,675
Total	46,059,521	38,374,812	31,366,713	19,234,198
Less: Long-term debt	248,651	1,333,790	1,526,894	1,894,699
Deferred income taxes	963,014	659,050	355,100	189,750
Shareholders' equity	\$44,847,856	\$36,381,972	\$29,484,719	\$17,149,749
Shareholders' equity per common share	\$6.72	\$5.51	\$4.52	\$2.80
Current ratio	2.0:1	3.5:1	3.7:1	2.9:1
Expenditures for property, plant and equipment	\$ 7,107,463	\$ 6,517,881	\$ 1,597,622	\$ 1,029,869
Number of shares outstanding at year end	6,677,049	6,603,061	6,524,712	6,120,684
Number of shareholders	6,299	5,963	5,239	6,070
Number of employees	2,246	1,621	1,280	1,014

1970	1969	1968	1967	1966	1965	1964
\$27,081,137	\$19,042,834	\$12,629,474	\$7,427,591	\$5,106,926	\$4,017,556	\$2,908,551
164,161	161,864	53,299	14,225	7,950	10,571	9,512
27,245,298	19,204,698	12,682,773	7,441,816	5,114,876	4,028,127	2,918,063
12,485,688	8,630,909	5,613,347	3,490,968	2,466,645	1,972,620	1,526,989
10,332,294	7,403,828	4,472,455	2,842,070	1,908,905	1,597,108	1,185,088
22,817,982	16,034,737	10,085,802	6,333,038	4,375,550	3,569,728	2,712,077
4,427,316	3,169,961	2,596,971	1,108,778	739,326	458,399	205,986
2,201,400	1,669,600	1,278,500	523,900	330,800	235,800	55,700
\$ 2,225,916	\$ 1,500,361	\$ 1,318,471	\$ 584,878	\$ 408,526	\$ 222,599	\$ 150,286
\$ 473,021	\$ 306,026	\$ 154,493	\$ 84,210	\$ 50,997	\$ 36,254	\$ 30,860
36.5¢	25.7¢	23.3¢	11.4¢	8.3¢	4.5¢	3.7¢
8.2¢	7.9¢	10.4¢	7.9¢	8.0¢	5.5¢	5.2¢
16.6¢	16.6¢	30.1¢	26.0¢	31.7¢	23.1¢	22.3¢
\$11,641,963	\$11,352,493	\$ 4,926,209	\$2,836,771	\$1,802,155	\$1,442,147	\$1,323,500
4,392,657	3,319,433	2,570,341	1,848,884	914,575	658,545	714,700
7,249,306	8,033,060	2,355,868	987,887	887,580	783,602	608,800
8,093,699	4,690,886	2,500,397	1,081,515	630,918	241,123	211,583
1,143,444	1,390,638	985,754	1,004,432	76,502	78,176	73,345
16,486,449	14,114,584	5,842,019	3,073,834	1,595,000	1,102,901	893,728
1,846,398	1,818,440	92,014	76,432	94,543	27,972	41,859
105,000						
\$14,535,051	\$12,296,144	\$ 5,750,005	\$2,997,402	\$1,500,457	\$1,074,929	\$ 851,869
\$2.38	\$2.03	\$1.00	\$.55	\$.30	\$.22	\$.18
2.7:1	3.4:1	1.9:1	1.5:1	2.0:1	2.2:1	1.9:1
\$ 3,861,362	\$ 2,498,411	\$ 1,574,320	\$ 542,564	\$ 338,380	\$ 63,705	\$ 35,688
6,107,834	6,063,234	5,762,434	5,463,234	4,940,034	4,940,034	4,867,634
6,210	5,873	3,896	2,101	1,626	1,461	1,337
850	734	472	257	200	170	147

CONSOLIDATED STATEMENTS OF EARNINGS AND RETAINED EARNINGS

	Year ended April 30,	1974	1973
Revenue:			
Net sales and commissions	\$78,177,668	\$54,383,401	
Interest	74,516	395,468	
Other	136,338	476,726	
	<u>78,388,522</u>	<u>55,255,595</u>	
Costs and expenses:			
Cost of products sold	36,518,923	24,365,882	
Selling expenses	18,033,653	13,222,635	
General and administrative expenses	10,551,778	7,180,682	
Provision for profit sharing plan	900,000	728,255	
Interest	497,746	136,892	
	<u>66,502,100</u>	<u>45,634,346</u>	
Earnings before income taxes	11,886,422	9,621,249	
Provision for taxes on earnings	5,515,000	4,284,800	
Net earnings	<u>6,371,422</u>	<u>5,336,449</u>	
Retained earnings:			
Beginning of year	17,572,487	12,564,029	
Issuance of 3,279,906 shares in connection with 2-for-1 stock split effected in the form of a 100% stock dividend September 29, 1972.....		(327,991)	
End of year	<u>\$23,943,909</u>	<u>\$17,572,487</u>	
Earnings per common share	<u>\$.96</u>	<u>\$.81</u>	

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

	Year ended April 30,	1974	1973
Working capital was provided by:			
Operations:			
Net earnings for the year	\$	6,371,422	\$ 5,336,449
Add — expenses not requiring outlay of working capital in the current year:			
Depreciation		1,059,461	693,068
Amortization		107,552	92,426
Deferred income taxes		303,964	303,950
Working capital provided by operations		<u>7,842,399</u>	<u>6,425,893</u>
 Increase in common stock:			
Conversion of debentures		980,991	203,580
Exercise of stock options		996,157	1,172,788
Decrease in patents and other assets			40,321
Income tax benefit from sale of option stock before expiration of required holding period		117,314	184,436
Other			28,938
		<u>9,936,861</u>	<u>8,055,956</u>
 Working capital was used for:			
Additions to property, plant and equipment (net)		7,107,463	6,516,308
Conversion of debentures		1,010,000	210,000
Payments on long-term debt		75,139	12,042
Increase in patents and other assets		153,424	
		<u>8,346,026</u>	<u>6,738,350</u>
Increase in working capital	\$	<u>1,590,835</u>	<u>\$ 1,317,606</u>
 Analysis of changes in working capital:			
Increase (decrease) in current assets:			
Cash	\$	1,270,785	\$ (1,087,878)
Certificates of deposit		(2,220,230)	(6,008,119)
Accounts receivable		7,065,032	5,177,827
Inventories		10,427,331	4,212,887
Prepaid expenses		560,554	91,365
 (Increase) decrease in current liabilities:			
Notes payable to banks		(12,590,303)	
Accounts payable		(797,398)	(1,186,429)
Accrued compensation		(282,951)	(127,587)
Accrued profit sharing contribution		(173,182)	(74,534)
Accrued taxes on earnings		(470,970)	331,252
Other accrued expenses		(1,197,833)	(11,178)
Increase in working capital	\$	<u>1,590,835</u>	<u>\$ 1,317,606</u>

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEETS

ASSETS	April 30,	1974	1973
CURRENT ASSETS:			
Cash	\$	2,295,082	\$ 1,024,297
Certificates of deposit		986,730	3,206,960
Accounts receivable, less allowance for doubtful accounts (1974 — \$473,000; 1973 — \$264,000)		21,363,869	14,298,837
Inventories:			
Finished goods		7,612,902	4,600,441
Work in process		4,992,587	2,861,548
Raw materials and purchased parts		9,396,510	4,112,679
		<u>22,001,999</u>	<u>11,574,668</u>
Prepaid expenses:			
Income taxes		913,237	367,787
Other		440,180	425,076
		<u>1,353,417</u>	<u>792,863</u>
Total current assets		<u>48,001,097</u>	<u>30,897,625</u>
PROPERTY, PLANT AND EQUIPMENT:			
Land and land improvements		1,666,716	1,362,127
Buildings		16,608,842	11,138,281
Machinery and equipment		4,187,913	2,584,748
Office furniture and fixtures		2,281,931	1,597,750
Construction in progress		150,492	1,196,821
		<u>24,895,894</u>	<u>17,879,727</u>
Less — Accumulated depreciation		3,387,591	2,419,426
		<u>21,508,303</u>	<u>15,460,301</u>
OTHER ASSETS:			
Patents, at cost less amortization (1974 — \$602,960; 1973 — \$511,835)		542,597	587,190
Other		398,047	307,582
		<u>940,644</u>	<u>894,772</u>
		<u>\$70,450,044</u>	<u>\$47,252,698</u>

See accompanying Notes to Consolidated Financial Statements.

	LIABILITIES	April 30, 1974	1973
CURRENT LIABILITIES:			
Notes payable to banks		\$12,590,303	
Accounts payable		6,139,024	\$ 5,341,626
Accrued compensation		786,522	503,571
Accrued profit sharing contribution		900,000	726,818
Accrued taxes on earnings		1,936,813	1,465,843
Other accrued expenses		2,037,861	840,028
Total current liabilities		<u>24,390,523</u>	<u>8,877,886</u>
DEFERRED INCOME TAXES		<u>963,014</u>	<u>659,050</u>
LONG-TERM DEBT:			
5¼ % Guaranteed Convertible Debentures due 1988			1,010,000
Capitalized lease		248,651	323,790
		<u>248,651</u>	<u>1,333,790</u>
SHAREHOLDERS' EQUITY:			
Preferred stock — par value \$1; 250,000 shares authorized, none outstanding			
Common stock — par value \$.10; 14,000,000 shares authorized, 6,677,049 and 6,603,061 shares issued and outstanding		667,705	660,306
Capital in excess of par value		20,236,242	18,149,179
Retained earnings, per accompanying statement		<u>23,943,909</u>	<u>17,572,487</u>
		44,847,856	36,381,972
COMMITMENTS AND CONTINGENT LIABILITIES			
		<u>\$70,450,044</u>	<u>\$47,252,698</u>

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 — ACCOUNTING POLICIES

Principles of Consolidation:

The consolidated financial statements include the accounts of the Company and all of its subsidiaries. All significant intercompany transactions and accounts have been eliminated.

Translation of Foreign Currencies:

The accounts of foreign subsidiaries are translated at year-end exchange rates for current assets and current liabilities, historical exchange rates for all other assets and liabilities and at average exchange rates prevailing during the year for income and expense accounts, except for depreciation and amortization which are translated at historical exchange rates.

Translation of long-term payables at year-end exchange rates would have increased long-term debt by \$107,000 at April 30, 1974.

Gains and losses from exchange adjustments, including those resulting from forward exchange contracts, are included in current income.

Inventories:

Inventories are stated at the lower of cost determined on a first-in, first-out basis or market.

Property, Plant and Equipment:

Property, plant and equipment are stated at cost. Additions, renewals, and improvements, unless relatively minor in amount, are capitalized. Maintenance and repairs are expensed as incurred.

Depreciation and Amortization:

For financial reporting purposes, depreciation of plant and equipment and amortization of patents are provided by the straight line method over their estimated useful lives.

Research Expenditures:

Research and product development costs are charged against earnings as incurred.

Income Taxes:

Deferred income taxes result principally from the use of accelerated depreciation methods and shorter asset lives for income tax purposes. Prepaid income taxes relate to inter-company profits in inventories which are eliminated upon consolidation.

Investment tax credits, accounted for as a reduction of income tax expense in the year in which the related assets are placed in service, totaled \$193,000 and \$238,000 in the years ended April 30, 1974 and 1973.

Earnings Per Share:

Earnings per common share are computed on the basis of the weighted average number of shares outstanding during the year. The issuance of shares reserved for the exercise of stock options and for the conversion of outstanding debentures, fully converted in August, 1973, would not have had a material dilutive effect.

NOTE 2 — ACQUISITIONS

In March, 1973, the Company issued shares of previously unissued common stock in the acquisition of Medical Specialty Company (20,506 shares) and Corvek Medical Equipment Company (13,700 shares) in transactions accounted for as poolings of interests. Operations of the companies during the periods prior to their acquisition were not material in relation to the consolidated financial statements.

NOTE 3 — INTERNATIONAL OPERATIONS

The following is a summary of financial information relating to foreign subsidiaries:

	1974	1973
Current assets	\$15,810,000	\$ 9,237,000
Current liabilities	7,962,000	5,187,000
Net property, plant and equipment	1,614,000	824,000
Undistributed earnings	5,539,000	2,884,000
Net sales	24,954,000	15,518,000
Net earnings	2,714,000	1,576,000
Currency exchange gains (losses) recorded on the books of U.S. and foreign companies:		
Before income taxes	(100,000)	255,000
After income taxes	158,000	301,000

NOTE 4 — LONG-TERM DEBT

The debentures were convertible into Medtronic, Inc. common stock at \$24.50 per share. In the years ended April 30, 1974 and 1973 \$1,010,000 and \$210,000 of debentures were converted into common stock.

The capitalized lease represents a lease obligation accounted for as a purchase, payable in annual installments of \$40,700, including interest at 7% to 1990. The current portion of the lease liability is included in accounts payable in the accompanying balance sheet.

NOTE 5 — INCOME TAXES

Taxes based on income for the year ended April 30, 1974 have been provided as follows:

	(In thousands)			
	U.S. Federal	Foreign	State	Total
Currently payable	\$2,828	\$2,644	\$ 285	\$5,757
Deferred	(93)	(141)	(8)	(242)
	<u>\$2,735</u>	<u>\$2,503</u>	<u>\$ 277</u>	<u>\$5,515</u>

Components of deferred taxes for the year ended April 30, 1974 resulted from the following:

	(In thousands)			
	U.S. Federal	Foreign	State	Total
Excess of tax depreciation over that recorded for financial statement purposes	\$ 326	\$ 74	\$ 30	\$ 430
Intercompany profits in inventory eliminated for financial statement purposes	(513)	(89)	(47)	(649)
Miscellaneous	94	(126)	9	(23)
	<u>\$ (93)</u>	<u>\$ (141)</u>	<u>\$ (8)</u>	<u>\$ (242)</u>

United States income taxes have been provided in anticipation of future distribution of current earnings of \$271,000 of Medtronic G.m.b.H. No provision has been made for United States income taxes relating to potential future distribution of undistributed earnings of other foreign subsidiaries since it is the Company's intention to utilize these earnings in its foreign operations for an indefinite time.

NOTE 6 — CHANGES IN CAPITAL	Common stock	Capital in excess of par value
Balance at April 30, 1972	\$326,235	\$16,594,455
Exercise of stock options	5,264	1,167,524
Conversion of debentures	816	202,764
Issuance of 3,279,906 shares in connection with 2-for-1 stock split effected in the form of a 100% stock dividend on September 29, 1972..	327,991	
Income tax benefit related to sale of option stock before expiration of required holding period		184,436
Balance at April 30, 1973	660,306	18,149,179
Exercise of stock options	3,277	992,880
Conversion of debentures	4,122	976,869
Income tax benefits related to sale of option stock before expiration of required holding period		117,314
Balance at April 30, 1974	<u>\$667,705</u>	<u>\$20,236,242</u>

NOTE 7 — STOCK PURCHASE AND STOCK OPTION PLANS

The 1970 Employee Stock Purchase Plan enables employees to contribute up to 10 percent of their pay, through payroll deductions, under an option to purchase the Company's common stock at 85 percent of the market value on the first or last day of the annual purchase period, whichever is lower. The plan authorizes issuance of a maximum of 200,000 shares. During the years ended April 30, 1974 and 1973 options for 18,938 shares at \$39.10 per share and 20,876 shares at \$19.55 per share were exercised. Of the remaining 143,882 shares reserved under the plan at April 30, 1974, options were outstanding to purchase 20,285 at a price which will be no higher than \$51.00 per share.

Under the Qualified Stock Option Plans, options may be granted by the Board of Directors to officers and key employees at the market price of the shares on the date of grant. Of the options outstanding under the 1970 Stock Option Plan, one-fourth may be exercised twelve months after date of grant and one-fourth each year thereafter. Options outstanding under the 1973 Stock Option Plan are exercisable during such term as established in each case by the Board of Directors. All options outstanding must be exercised within 5 years after date of grant. As of April 30, 1974, options had been granted for 389,070 shares, of which options for 249,985 shares had been exercised, options for 83,149 shares had been cancelled and options for 55,936 shares remain open.

Options granted, exercised, cancelled and outstanding at year-end for each of the past two years were as follows:

	1974	1973
Options granted:		
Number of shares	12,900	24,800
Range of option prices	\$58.50 - 43.00	\$48.25 - 44.75
Options exercised:		
Number of shares	13,830	48,905
Range of option prices	\$40.38 - 15.88	\$22.75 - 11.57
Options cancelled:		
Number of shares	3,800	4,949
Range of option prices	\$43.00 - 15.88	\$44.75 - 15.88
Options outstanding at year end:		
Number of shares	55,936	60,666
Range of option prices	\$58.50 - 15.88	\$48.25 - 15.88

The Company has also granted non-qualified stock options to purchase a total of 9,000 shares of common stock at prices ranging from \$16.07 to \$44.75. One-fourth of these options

are exercisable one year after date of grant and one-fourth each year thereafter. No options were exercised during the years ended April 30, 1974 and 1973. Options to purchase 8,500 shares remain outstanding.

NOTE 8 — LITIGATION

In October of 1970 the Company filed a suit against American Optical Corporation for the purpose of determining the validity and coverage of two of American Optical Corporation's patents and requesting a judicial interpretation of a license agreement concerning one of those patents under which the Company had been paying royalties since 1968. American Optical filed a countersuit in 1971 requesting continued performance under the license agreement and charging infringement of the patent which was not licensed. These two suits were consolidated into one proceeding.

During 1974 the Company and American Optical Corporation resolved this litigation by mutual agreement. The resolution recognizes the validity of the two American Optical Corporation patents, and permits the Company to utilize for their full term certain American Optical Corporation patents and patent applications. Under terms of the settlement the Company has agreed to make payments to American Optical totaling \$550,000 annually in calendar 1974, 1975 and 1976; \$650,000 in 1977, 1978 and 1979; \$750,000 in 1980, 1981 and 1982 and \$850,000 in 1983, 1984 and 1985, at which point no further payments are required. Under terms of the licensing arrangement terminated by settlement of the litigation, the Company made payments to American Optical totaling

\$935,500 for the fiscal year ended April 30, 1973 and \$846,800 for the eight month period ended December 31, 1973.

NOTE 9 — COMPENSATING BALANCES

The Company has an informal agreement with its principal lending bank to maintain on deposit a compensating balance equal to 15% of the outstanding loan balance.

None of the cash shown in the April 30, 1974 balance sheet represented a compensating balance.

NOTE 10 — COMMITMENTS

The Company and its subsidiaries are committed under long-term non-cancellable leases for buildings and equipment with approximate payments as follows:

Year ending April 30	Land and Buildings	Machinery and Equipment	Total
1975	\$740,000	\$302,000	\$1,042,000
1976	647,000	201,000	848,000
1977	390,000	177,000	567,000
1978	267,000	71,000	338,000
1979	255,000		255,000
1980-1984	403,000		403,000
1985 and after			none

Under most leases the Company pays taxes, insurance, maintenance and other expenses related to the property under lease. Total rental expense was \$1,524,000 in 1974 and \$896,000 in 1973.

The Company has commitments of approximately \$2,500,000 for completion of facilities in suburban Minneapolis currently under construction and expected to be completed in 1975.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholders and
Board of Directors of Medtronic, Inc.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of earnings and retained earnings and of changes in financial position present fairly the financial position of Medtronic, Inc. and its subsidiaries at April 30, 1974 and 1973, the results of their operations and the changes in financial position for the years then ended, in conformity with generally accepted accounting principles consistently applied. Our examinations of these statements were made in accordance with generally

accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Price Waterhouse & Co.

Minneapolis, Minnesota, June 20, 1974

MAJOR MEDTRONIC PRODUCTS

1
Model 5944
(bipolar demand)



1

2
Model 5945
(unipolar demand)



2

3
Model 5931
(unipolar fixed rate,
adjustable pulse width)



3

4
Model 5961
(unipolar demand,
adjustable pulse width)



4

5
Model 9000
(nuclear)



5

6
Model 5858
(pediatric)



6

7
Model 5950
(hybrid bipolar demand)



7

8
Model 5951
(hybrid unipolar demand)



8

9
Model 5880A
(external demand)



9

10
Model 6917
(sutureless myocardial
lead)



10

11
TeleTrace™ Telephone
EKG System (patient
monitoring equipment)



11

12
Model 5300
(pacing system analyzer)



12

13
Model 9500
(pacemaker pulse
monitor/analyzer)



13

14
NEUROMOD™
Transcutaneous Nerve
Stimulator



14

15
MYELOSTAT® Dorsal
Column Stimulator



15

THE BOARD OF DIRECTORS

EARL E. BAKKEN, Chairman of the Board and Chief Executive Officer, Medtronic, Inc.

THOMAS E. HOLLORAN, President, Medtronic, Inc.

CHARLES F. CUDDIHY, JR., Executive Vice President, Medtronic, Inc.

WILLIAM F. DIETRICH, Chairman of the Board, Community Investment Enterprises, Inc.

LESLIE F. KOTVAL, former Medtronic officer, now in private real estate investment

DALE R. OLSETH, President and Chief Executive Officer, Tonka Corporation

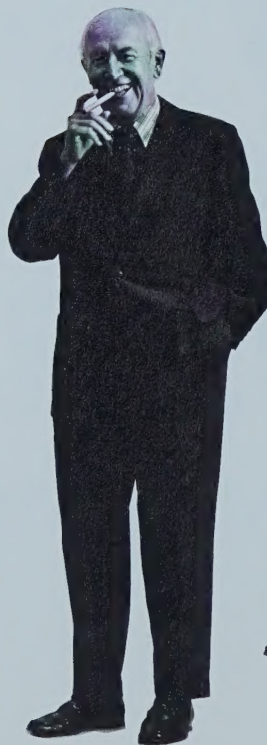
RICHARD L. SCHALL, Senior Vice President, Dayton Hudson Corporation

GERALD W. SIMONSON, President, Community Investment Enterprises, Inc.

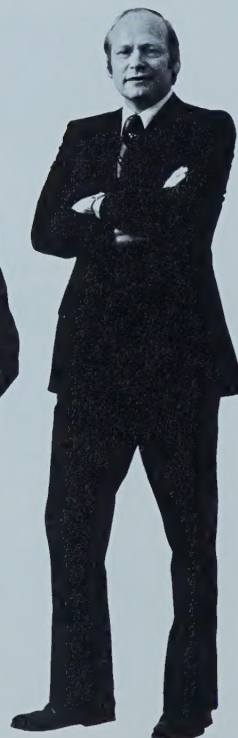
RICHARD A. SWALIN, Dean and Professor, Institute of Technology, University of Minnesota



RICHARD L. SCHALL



WILLIAM F. DIETRICH



RICHARD A. SWALIN



LESLIE F. KOTVAL



DALE R. OLSETH

GERALD W. SIMONSON

OFFICERS

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THOMAS E. HOLLORAN, President

B. J. AMDAHL, Vice President, Finance and Administration

CHARLES F. CUDDIHY, JR., Executive Vice President

NORMAN DANN, Senior Vice President, Development

GEORGE M. HEENAN, Vice President, Manufacturing

ALAN R. KAHN, M.D., Senior Vice President, Cardiovascular Research and Engineering

CHARLES D. RAY, M.D., Corporate Vice President Neurological/Rehabilitation and Medical Research

DONALD R. STONE, Vice President Product Assurance and Regulation

JOHN T. KRUEGER, Corporate Controller

RICHARD W. NUNN, Treasurer

LAWRENCE PERLMAN, Secretary

Independent Accountants:

Price Waterhouse & Co., Minneapolis, Minnesota

Registrar:

Northwestern National Bank of Minneapolis

Transfer Agents:

Morgan Guaranty Trust Co. of New York

Northwestern National Bank of Minneapolis

Counsel:

Fredrikson, Byron, Colborn, Bisbee, Hansen & Perlman, P.A. Minneapolis, Minnesota

Corporate Headquarters:

Medtronic, Inc., 3055 Old Highway Eight
Minneapolis, Minnesota 55418, (612) 781-6061

Administration Building:

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Minneapolis, Minnesota 55432

Manufacturing/Research/Marketing Facilities:

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Minneapolis, Minnesota 55432

Medtronic Coon Creek Facility, 1500 Northdale Boulevard,
Coon Rapids, Minnesota 55433

Medtronic Earle Brown Farm Facility, 6040 Earle Brown Drive,
Minneapolis, Minnesota 55430

Medtronic B.V., Wenckebachstraat, 10 Kerkrade-West,
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Medtronic do Brasil Ltda., São Paulo Assembly Plant,
Avenida Padre Antonio Jose dos Santos,
211, 04563 São Paulo-SP, Brazil

Cameron-Miller Surgical Instruments Co.,
329 South Wood Street, Chicago, Illinois 60612

Population Research Incorporated,
7875 Beech Street N.E., Minneapolis, Minnesota 55432

Micro-Rel, Inc., 1005 South Park Lane, Tempe, Arizona 85281

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UNITED STATES

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Medtronic, Inc.*
3055 Old Highway Eight
Minneapolis, Minnesota 55418

Regional Offices

Eastern Region*
291 Danbury Road
Wilton, Connecticut 06897

Great Lakes Region*
3 Parkway Center, Suite 219
Pittsburgh, Pennsylvania 15220

Midwest Region*
7850 Metro Parkway, Suite 121
Minneapolis, Minnesota 55420

Southern Region*
1001 International Blvd., Suite 910
Atlanta, Georgia 30354

Western Region*
740 North Lake Street
Burbank, California 91502

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Simonsen & Weels Efft A/S
Albertslund, Denmark

Medtronic U.K. Limited*
London, England

Oy M. Fuchs AB
Helsinki, Finland

Medtronic France S.A.*
Paris, France

Dennis Zemperis AE
Athens, Greece

Braedurnir Ormsson
Reykjavik, Iceland

Vaygan Company
Teheran, Iran

Abdul Messih E. Jwaideh
Baghdad, Iraq

Medtronic Israel Ltd.*
Tel Aviv, Israel

DISI ITAL
Milan, Italy

F. Makhlof & Co.
Beirut, Lebanon

Medtronic B.V.*
Utrecht, The Netherlands

Ole A. Nordby
Oslo, Norway

S.A.R.L., Cassel-Indústrias
Elétrônicas e Mecânicas
Lisbon, Portugal

Medtronic (Africa) Pty Ltd.*
Bedfordview, South Africa

PICEDEX S.A.
Madrid, Spain

Isotronic A.B.
Näsbypark, Sweden

H.W. Tschäppeler A.G.
Zurich, Switzerland

Tekimed
Istanbul, Turkey

Medtronic G.m.b.H.*
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Medtronic of Canada Ltd.*
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Medtronic of Canada Ltd.*
Montreal, Quebec

LATIN AMERICA

Headquarters

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National Headquarters

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Buenos Aires, Argentina

Sociedad Anónima de
Representaciones y Comercio,
SARCO, La Paz, Bolivia

Medtronic do Brasil Ltda.*
São Paulo, Brazil

Ing. Carlos López Krüger
Santiago, Chile

Agencias Médicas Ltda.
San José, Costa Rica

Ascanio Abreu Representaciones
Santo Domingo, Dominican Republic

Omnia Pro Médico S.A.
Quito, Ecuador

Marcel J. Wolff
San Salvador, El Salvador

Casa Médica
Guatemala City, Guatemala

Casa de Equipos Médicos S.A.
Tegucigalpa, Honduras

Medtronic S.deR.L.de C.V.*
Mexico City, Mexico

Lubeca Peruana S.A.
Lima, Peru

Interamérica Medtronic, Inc.*
St. Just, Puerto Rico

Medtronic de Venezuela S.A.*
Caracas, Venezuela

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ATCO Industries, Inc.
East Agana, Guam

Blue Star Limited
Bombay, India

P.T. United Dico-Citas Co. Ltd.
Jakarta Barat, Indonesia

Heiwa Bussan Co. Ltd.
Tokyo, Japan

O'Connor's (Pte) Ltd.
Selangor, Malaysia

Watson Victor Ltd.
Wellington, New Zealand

Gannys Enterprises Ltd.
Karachi, Pakistan

Tower Medical Distributing Company
Quezon City, Philippines

O'Connor's (Pte) Ltd.
Singapore

Dong In X-Ray Equipment
Company, Ltd.
Seoul, South Korea

De Soysa & Co., Ltd.
Colombo, Sri Lanka (Ceylon)

Spring Port Taiwan Ltd.
Taipei, Taiwan

Vidhayakom Co., Ltd.
Bangkok, Thailand

Brownell Lane Engineering Co.
Saigon, Vietnam

*Medtronic owned and operated facilities.